

Premier Building Owner's Package Policy

INTRODUCTION

Please read the entire policy. See the Table of Contents for some of the more frequently referred to subjects.

Words in bold print, other than titles and headings, have the meaning given them in the DEFINITIONS section. Refer to the Table of Contents.

For the applicable limits of insurance refer to the Declarations Page and the What We Cover section of this policy.

REPRESENTATIONS

By accepting this policy **you** agree that:

1. the statements on the Declarations Page are accurate and complete.
2. those statements are based upon representations **you** made to **us**.
3. **we** have issued this policy in reliance upon **your** representations.

CONCEALMENT, MISREPRESENTATION OR FRAUD

We will not pay for any loss or damage if **you** have, or any other insured has, whether before or after a loss, intentionally concealed or misrepresented any material fact or circumstance or made false statements or engaged in fraudulent conduct relating to this insurance.

AGREEMENT

We will provide the insurance described in this policy in return for the premium and **your** compliance with all provisions of this policy, including endorsements.

TABLE OF CONTENTS

SECTION I – BUSINESS PROPERTY AND RENTS 4

Limit of Insurance 4

What We Cover 4

Structures 4

Employees’ Property..... 4

Tenants’ Property 4

Lost Master Key..... 4

Newly Acquired Structures 4

New Buildings under Construction..... 5

Property Used to Maintain Covered Structures 5

Trees, Shrubs and Plants 5

Money 5

Losses Covered..... 5

Ordinance 5

Rents 6

Contingent Loss of Rents 6

Extraction of Pollutants 6

Tenant Moving Costs..... 6

Rents for Newly Acquired Structures..... 7

Debris Removal and Demolition 7

Equipment Breakdown..... 7

Fire Department Service Charge 8

Fire Protection Systems..... 8

What We Do Not Cover 8

Property Not Covered 8

Losses Not Covered 8

Deductible(s)..... 10

Basis of Loss Payment 11

Structures 11

Your Business Personal Property and Property of Your Employees..... 11

Trees, Shrubs and Plants 12

Personal Property of Others, including Tenants 12

Rents 12

Lost Master Key..... 13

Tenant Moving Costs..... 13

Your Duties Following a Loss 13

SECTION II – BUSINESS LIABILITY 18

Premises Liability 18

Coverage 18

Exclusions..... 18

TABLE OF CONTENTS

Personal Injury and Advertising Injury Liability 20
 Coverage 20
 Exclusions..... 21

Non-Owned Auto Liability..... 22
 Coverage 22
 Exclusions..... 23

Hired Auto Liability 24
 Coverage 24
 Exclusions..... 24

Premises Medical Payments 25
 Coverage 25
 Exclusions..... 25

Supplementary Payments..... 26

Limits of Insurance 27

Your Duties in the Event of an Occurrence, Act, Claim or Suit 28

COMMON POLICY CONDITIONS APPLYING TO SECTIONS I AND II..... 30

DEFINITIONS 31

SECTION I – BUSINESS PROPERTY AND RENTS

Limit of Insurance

1. All Covered Loss

Regardless of the number of people insured under this policy, the most **we** will pay for any one loss is the applicable limit of insurance.

2. Loss of Rents

Coverage for loss of rents is not subject to a dollar limit of insurance. It is limited to **your** actual and necessarily sustained net loss of rents for up to thirty (30) consecutive months following an **accident** causing covered loss or damage.

What We Cover

1. Property covered at a location named on the Declarations Page, for the limits shown below:

A. Structures

Up to the limit shown on the Declarations Page for **your** structures, **your** business personal property used to maintain, service, repair or construct **your** structures and **your** business personal property furnished for use by **your** tenants.

B. Employees' Property

\$25,000 for personal property of **your** employees not to exceed \$1,000 for any one employee.

C. Tenants' Property

\$25,000 for personal property of **your** tenants, not to exceed \$1,000 for any one tenant, which is in **your** care, custody or control and for which **you** are legally liable.

D. Lost Master Key

\$25,000 for keys and locks that must be replaced or adjusted because a master key or grand master key is lost or damaged by an **accident**.

2. Property covered at any location in the Continental United States of America or Canada, for the limits shown below:

A. Newly Acquired Structures

\$1,000,000 for structures, other than structures in the course of construction, **you** acquire ownership of during the policy period, and which are not covered by other insurance.

This coverage ceases ninety (90) days after the date **you** acquire the structures or at the expiration or cancellation date of this policy, whichever is first.

An additional premium, computed by using the rates in effect for such structures at the date of acquisition, will be charged for the period of time **we** provide coverage.

SECTION I – BUSINESS PROPERTY AND RENTS

B. New Buildings under Construction

\$1,000,000 for new buildings, including materials intended to become integral parts of these buildings, in the course of construction, and which are not covered by other insurance.

This coverage does not apply to additions to or alterations of existing structures.

This coverage ceases thirty (30) days after the first day on which any work is performed at the job site.

An additional premium, computed by using the rates in effect when construction begins, will be charged for the period of time **we** provide coverage.

C. Property Used to Maintain Covered Structures

\$25,000 in the aggregate for:

- 1) **your** covered business personal property; and
- 2) business personal property of others which is in **your** care, custody or control and for which **you** are legally liable; and

that is used to maintain, service, or repair covered structures. This coverage does not apply to personal property belonging to **your** employees or tenants.

D. Trees, Shrubs and Plants

\$5,000 in the aggregate for **your** trees, shrubs and other plants not to exceed \$1,000 for any one tree, shrub or other plant.

E. Money

\$5,000 in the aggregate for money, money orders, checks, travelers checks and stamps all used in connection with the ownership or management of covered structures.

Losses Covered

Subject to the terms, conditions and limitations of this policy, **we** insure **you** against financial loss resulting from direct physical loss of or damage to covered property caused by an **accident**, including the following:

1. At a location named on the Declarations Page for the limits shown below:

A. Ordinance

- 1) \$250,000 in the aggregate as an additional amount of insurance for all of the following unless a greater limit of insurance for Ordinance or Law is shown on the Declarations Page:
 - a) any increase in the cost to repair or replace a damaged or destroyed covered structure which results from the enforcement of any ordinance, law or code regulating the use, repair or construction of that structure; and

SECTION I – BUSINESS PROPERTY AND RENTS

- b) any increase in the amount of loss of rents resulting from a delay caused by the enforcement of any ordinance, law or code regulating the use, repair or construction of the damaged or destroyed covered structure; but

\$2,500 is the most **we** will pay because of the enforcement of any ordinance, law or code in effect at the time of the loss or damage which requires compliance even in the absence of damage to the structure.

- 2) Financial loss of the undamaged portion of a damaged structure when the undamaged portion must be demolished as a result of the enforcement of any ordinance, law or code regulating the use, repair or construction. This coverage does not increase the limit of insurance shown on the Declarations Page for the damaged structure.

B. Rents

Up to 30 months loss of rents because of damage to or destruction of covered structures caused by an **accident**.

This coverage includes accrued rents which become uncollectible as a result of the **accident**; it also includes extra expenses incurred to reduce the loss of rents when the total resulting rents loss, including those extra expenses, is less than or equal to the loss of rents that would have been incurred without those extra expenses.

C. Contingent Loss of Rents

\$100,000 as an additional amount of insurance for **your** loss of or reduction in rents resulting from an **accident** which causes direct physical loss of or damage to property not owned by **you** but which is situated anywhere within the state of a location described on the Declarations Page.

This additional coverage does not apply to loss of rents resulting from damage to or destruction of water, communication or power supply services.

D. Extraction of Pollutants

\$25,000 as an additional amount of insurance for expenses necessarily incurred to extract **pollutants** from land or water at the location of a covered structure.

We will pay these expenses only if reported to **us** in writing within one hundred eighty (180) days of the date of the **accident**. This limit of insurance is the most **we** will pay for all such expense incurred in any one twelve (12) month policy period.

E. Tenant Moving Costs

\$25,000 as an additional amount of insurance for expenses **you** incur to move **your** tenants, who have had to move out temporarily because of covered damage to or destruction of a covered structure, back into the covered structure.

The move back must take place within thirty (30) days after the portion of the structure rented by **your** tenant has been repaired or rebuilt and is ready for occupancy.

The move back need not take place prior to the expiration date of the policy.

SECTION I – BUSINESS PROPERTY AND RENTS

2. At a location anywhere in the Continental United States or Canada for the additional limits shown below:

A. Rents for Newly Acquired Structures

\$200,000 for loss of rents, but not accrued rents, for newly acquired structures described in **What We Cover**, 2. A.

This coverage applies only if the **accident** causing damage to the structures occurs not more than ninety (90) days from the date **you** acquire ownership of the structures.

B. Debris Removal and Demolition

\$500,000 for increases in otherwise covered loss incurred to remove debris of covered property including the expense necessarily incurred to demolish and remove the debris of any undamaged portion of the damaged covered structure where such increased expenses are incurred because:

- 1) of the enforcement of any ordinance, law or code requiring that the undamaged portion of the damaged covered structure be demolished; or
- 2) it is not economical to repair the damaged covered structure.

C. Equipment Breakdown - Contamination

\$25,000 in the aggregate when an **equipment breakdown** of **covered equipment** causes covered property to become contaminated by a **hazardous substance** for the following:

- 1) additional expense necessarily incurred to clean, repair or replace the contaminated covered property; or
- 2) additional expense necessarily incurred to dispose of the contaminated covered property.

We will also pay for resulting net loss of rents actually and necessarily incurred including extra expense incurred to prevent or minimize loss of rents. Such extra expenses are covered when the total resulting loss of rents including those extra expenses is less than or equal to the loss of rents that would have been incurred without those extra expenses.

Additional expense means those expenses beyond what would have been required had no **hazardous substance** been involved.

D. Equipment Breakdown - CFC Refrigerant Loss

\$25,000 when an **equipment breakdown** of **covered equipment** causes the loss of CFC (chlorinated fluorocarbon) refrigerants. **We** will pay for the additional expense necessarily incurred to repair or replace the **covered equipment** beyond what would have been necessary had no refrigerant containing CFC (chlorinated fluorocarbon) been involved.

The amount **we** will pay is limited to the smallest of the following:

- 1) the amount required to repair the damaged **covered equipment** and replace any lost CFC (chlorinated fluorocarbon) refrigerant; or
- 2) the amount required to repair and retrofit the damaged **covered equipment** to accept non-CFC (chlorinated fluorocarbon) refrigerant and charge it with a non-CFC (chlorinated fluorocarbon) refrigerant; or
- 3) the amount required to replace the **covered equipment** with **covered equipment** using a non-CFC (chlorinated fluorocarbon) refrigerant.

SECTION I – BUSINESS PROPERTY AND RENTS

E. Fire Department Service Charge

\$5,000 for fire department service charges **you** incur because the fire department is called and responds to save or protect covered property.

F. Fire Protection Systems

\$5,000 in the aggregate for expenses actually and necessarily incurred:

- 1) to recharge **your** fire protection devices;
- 2) for which **you** are liable to the local water department for water discharged because of a fire by an automatic sprinkler system or fire hoses which are a permanent part of a covered structure.

What We Do Not Cover

1. Property Not Covered

We do not cover:

- A. Land and land values.
- B. Motor vehicles or trailers licensed for road use including their equipment.
- C. Watercraft.
- D. Aircraft.
- E. Animals.
- F. Fur, fur garments, watches, jewelry, precious and semi-precious stones and precious metals, including silver.
- G. Money, money orders, checks, travelers checks and stamps except as provided for in **What We Cover**, 2. E.

2. Losses Not Covered

A. **We** do not insure **you** against loss of or damage to covered property resulting from or caused, directly or indirectly, proximately or remotely, by any of the following. Such loss or damage is not covered regardless of any **accident** that contributes concurrently or in any sequence to such loss or damage:

- 1) Earth movement other than **sinkhole collapse**. Earth movement includes earthquake, volcanic eruption, landslide, mudflow, subsidence and earth sinking, rising or shifting.

If fire, explosion or **volcanic action** ensues, **we** will be liable only for the ensuing direct loss or damage from the fire, explosion or **volcanic action**.

- 2) Flood, overflow of any body of water, surface water, waves, tides, tidal waves or spray from any of them even if driven by wind; or
 - a) water that backs up through or overflows from a sewer, drain or sump if such backup or overflow is caused by any of the causes of loss stated in 2) above; or

SECTION I – BUSINESS PROPERTY AND RENTS

- b) underground water including water which presses on, flows or seeps through foundations, walls or floors or paved surfaces, or into unpaved basements.

If fire or explosion ensues, **we** will be liable only for the ensuing direct loss or damage from the fire or explosion.

- 3) Loss or damage resulting from insects, vermin or rodents.

If fire or explosion ensues, **we** will be liable only for the ensuing direct loss or damage from the fire or explosion.

- 4) Theft by **you, your** employee(s) or, with the exception of carriers for hire, anyone to whom covered property is entrusted.

Ensuing loss by fire or explosion resulting from theft by **your** employee(s) or by anyone to whom covered property is entrusted is covered.

- 5) Shortage disclosed on taking inventory or unexplained or mysterious disappearance of covered property.

Covered property in the custody of a carrier for hire is covered.

- 6) Pollution caused by or resulting from the presence of or the release, discharge, escape, dispersal, seepage or migration of **pollutants**.

If the presence, release, discharge, escape, dispersal, seepage or migration is caused by or results from fire, lightning, explosion, windstorm, hail, aircraft, vehicles, riot or civil commotion, vandalism or malicious mischief, sprinkler leakage, falling objects, **volcanic action** or weight of snow, sleet or ice, **we** will pay for the resulting loss.

- 7) Error in design, plans or specifications; faulty or defective workmanship or materials; latent or patent defect; or mechanical breakdown other than **equipment breakdown to covered equipment**.

If loss from fire, explosion, sprinkler leakage, falling objects, weight of snow, sleet or ice, or **accidental** discharge of water not otherwise excluded from a plumbing, heating or air conditioning system which has cracked or broken apart ensues, **we** will pay for the ensuing loss. **We** will not, however, pay for the cost to correct the condition which causes such ensuing loss.

- 8) War, including undeclared or civil war; warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

SECTION I – BUSINESS PROPERTY AND RENTS

- 9) Nuclear reaction or radiation, or radioactive contamination, however caused.

If nuclear reaction or radiation, or radioactive contamination results in fire, **we** will pay for the loss or damage caused by that fire.

B. In addition, **we** do not insure **you** against any of the following losses, however caused:

- 1) Delay, loss of use, loss of market, loss of business income or other consequential loss.

This exclusion does not apply to loss of rents including accrued rents and extra expense provided for elsewhere in this policy.

- 2) Wear and tear, deterioration, rust, **organic pathogens**, mold, wet or dry rot.

If fire, explosion or damage from water not otherwise excluded ensues, **we** will be liable only for the ensuing loss or damage from the fire, explosion or water not otherwise excluded.

If **equipment breakdown** to **covered equipment** ensues, **we** will pay for the loss or damage caused by that **equipment breakdown** to the **covered equipment**.

- 3) Settling, cracking, shrinking, bulging or expanding of covered structures.

If fire, explosion or breakage of glass constituting an integral part of the structure ensues, **we** will be liable only for the ensuing loss or damage from the fire, explosion or breakage of such glass.

If **equipment breakdown** to **covered equipment** ensues, **we** will pay for the loss or damage caused by that **equipment breakdown** to the **covered equipment**.

- 4) Except as provided for in Losses Covered, 1.A. and 2.B. of this policy, **we** will not pay for any of the following:

- a) any increase in the cost to repair or construct a replacement of a damaged or destroyed covered structure which results from the enforcement of any ordinance, law or code regulating the use, repair or construction of that structure;
- b) the cost or expense, including the cost or expense of debris removal, of demolishing any undamaged portion of any damaged covered structure whether or not required by any ordinance, law or code;
- c) any increase in the amount of loss of rents resulting from the enforcement of any ordinance, law or code that results in a delay of the time required to repair or replace the damaged or destroyed covered structure beyond the time that would be required in the absence of such enforcement of any ordinance, law or code.

Deductible(s)

The applicable deductible amount shown on the Declarations Page will be deducted from the amount of any loss before applying any limits of insurance contained in the policy.

SECTION I – BUSINESS PROPERTY AND RENTS

Basis of Loss Payment

Subject to the provisions contained in the **Limit of Insurance** section, and to all other terms and conditions of this policy, when **you** have suffered a covered loss, the amount **we** will pay is calculated as follows:

1. **Structures**

- A. if **you** repair a damaged structure or replace a totally destroyed structure at the place of the loss and within a reasonable time, **we** will pay the amount actually and necessarily expended to repair the damaged structure or replace the totally destroyed structure with a new structure of like kind, quality and use; or
- B. if **you** replace a totally destroyed structure by building a new structure elsewhere, **we** will pay the amount actually and necessarily expended to replace elsewhere within a reasonable time after the loss with a new structure of like kind, quality and use. In no event, however, shall payment under this option exceed what would have been payable had option A. above been elected; or
- C. if **you** replace a totally destroyed structure by purchasing an existing structure elsewhere, **we** will pay the amount reasonably required and actually expended to purchase within a reasonable time after the loss a structure of like kind, quality and use as the structure totally destroyed. In no event, however, shall payment under this option exceed what would have been payable had option A. above been elected; or
- D. if **you** do not repair or replace a damaged or totally destroyed structure, **we** will pay **you** the lesser of the loss of actual cash value at the time and place of loss, with due consideration for depreciation from all sources however caused, or what it would cost to repair or replace with material of like kind, quality and use at the time and place of loss.

You may first make claim for the loss of actual cash value under this paragraph, and, within one (1) year from the payment of that loss, make claim for any additional amount then payable by reason of paragraphs 1.A., 1.B., or 1.C. above.

Certified Green Buildings: if the damaged or totally destroyed structure was certified as a Green Building, prior to the date of loss, by either the U.S. Green Building Council under their LEED® Green Building Rating System™, the Green Building Initiative's Green Globes™ rating system, or the U.S. Environmental Protection Agency's Energy Star® Partner registry system, **we** will pay the amount actually and necessarily expended to repair the damaged structure or replace the totally destroyed structure with property that meets current standards for continued certification at the highest level of certification awarded to the structure prior to the loss.

In no event will **we** pay for the value of land.

2. **Your Business Personal Property and Property of Your Employees**

- A. If lost or damaged business personal property is repaired or replaced, payment will be limited to the amount actually and necessarily expended to repair or to replace the property with new property of like kind, quality and use.
- B. If lost or damaged business personal property is not repaired or replaced, payment will be limited to the loss of actual cash value with due consideration for depreciation from all sources however caused.

Payment will not exceed the amount which it would cost to repair or replace the lost or damaged property with property of like kind, quality and use.

SECTION I – BUSINESS PROPERTY AND RENTS

You may first make claim for the loss under paragraph B. and, within one (1) year from the payment of that loss, make claim for any additional amount then payable by reason of A.

3. Trees, Shrubs and Plants

We will pay the amount actually and necessarily spent to replace and plant lost or damaged trees, shrubs and other plants or, if not replaced, the amount actually and necessarily spent for removal of debris of such property.

4. Personal Property of Others, including Tenants

We will pay the amount for which **you** are legally liable.

5. Rents

A. **We** will pay **your** net loss of rental income. The amount **we** will pay is limited as follows:

1. if the damaged or totally destroyed property is not repaired or replaced, or if it is repaired or replaced at the same premises, **we** will pay for the time during which the property could be repaired or replaced at the same location with property of like kind, quality and use with the exercise of due diligence and dispatch.
2. if a covered structure is totally destroyed and is replaced elsewhere by the construction or purchase of another structure of like kind, quality and use, **we** will pay for the time required to replace the structure elsewhere, not to exceed the time specified in 1. above for the replacement of property at the same location.

B. **We** will pay rents accrued but rendered uncollectible by reason of a covered loss at a location described on the Declarations Page.

C. **We** will pay **your** extra expenses incurred to reduce the loss of rents when the total resulting rents loss, including those extra expenses, is less than or equal to the loss of rents that would have been incurred without those extra expenses.

D. **We** will also pay **your** net loss of rental income which continues beyond the time required to repair or replace the property at that same location for a period no greater than one hundred eighty (180) days if :

1. the damaged or totally destroyed property is actually replaced with property of like kind, quality and use; and
2. repair or replacement is accomplished with the exercise of due diligence and dispatch; and
3. **you** have exercised and continue to exercise due diligence to minimize the loss of rents.

In no event will **we** pay for more than thirty (30) months of incurred net loss of rental income.

The period of time **we** use to determine **your** loss of rents is not limited by the expiration date of the policy.

SECTION I – BUSINESS PROPERTY AND RENTS

6. Lost Master Key

We will pay for the cost:

- A. to replace keys; and
- B. to adjust locks to accept new keys; or, if required;
- C. for new locks including the cost of their installation.

7. Tenant Moving Costs

We will pay for the following reasonable and necessary documented move back expenses actually incurred:

- A. packing, insuring and transporting **your** tenants' business personal property;
- B. re-establishing electric utility service less refunds for discontinued service;
- C. assembling and setting up **your** tenants' fixtures and equipment;
- D. unpacking and reshelving **your** tenants' stock and supplies.

Your Duties Following a Loss

1. **You** must at **your** expense:

- A. give **us** written notice of any loss as soon as practicable.
- B. file with **us** a detailed sworn statement of loss within ninety (90) days after the loss unless this time is extended by **us** in writing, setting forth to the best of **your** knowledge and belief:
 - 1) the time and cause of loss.
 - 2) **your** interest and that of all others in the property involved.
 - 3) other policies of insurance that may cover the loss.
 - 4) changes in title or occupancy of the property during the term of this policy.
 - 5) specifications of any damaged structures, detailed estimates for repair of the damage and the amount **you** claim for the repair under this policy.
 - 6) the amount claimed for replacement of trees, shrubs and other plants or for the removal of debris of such property accompanied by all exhibits necessary to support that amount.
 - 7) an inventory of damaged, covered personal property and the amount **you** claim for that property under this policy accompanied by all exhibits necessary to support that amount.
 - 8) the amount claimed for rents including accrued rents and extra expenses accompanied by all exhibits necessary to support that amount.
- C. do all things and produce all documents reasonably required to establish values, loss and damage and coverage for the loss.

2. **You** must at **our** expense submit to examinations under oath by any person named by **us** and sign transcripts thereof.

SECTION I – BUSINESS PROPERTY AND RENTS

Appraisal

If **we** fail to agree with **you** on the amount of loss, either party may make a written demand on the other for an appraisal of the loss. Upon receipt of such a demand, each party has twenty (20) days to choose a competent appraiser. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, either of the parties may request that the umpire be chosen by a judge of a court of record in the state where the property is located. The appraisers will separately determine the amount of loss. If the appraisers submit a written report of an agreement to **us**, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will constitute the amount of the loss. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, **we** still retain **our** right to dispute coverage. Further, all of the terms, conditions, and limitations of the policy still apply to **your** loss.

Mandatory Arbitration

In case **we** fail to agree with **you** as to the meaning or effect of any provision of this policy, the disagreement shall be resolved by binding arbitration in accordance with the statutory rules and procedures of the state in which the property is located. Should an arbitration under the terms of this clause result in any of the following, **we** will reimburse **you** for expenses actually incurred by **you** with respect to the arbitration, including reasonable attorney's fees, in a sum to be determined by the arbitrator(s):

1. a finding of coverage for claimed loss or damage for which coverage is denied by **us**;
2. a finding that **you** are entitled to a loss payment in accordance with the express terms of this policy and exclusive of costs or attorney's fees in an amount that exceeds the amount of any offer made by **us** in writing to settle **your** claim at any time up to thirty (30) days prior to the commencement of the arbitration.

The provisions of this clause are mandatory and may be enforced by either **you** or **us**.

Optional Claim Resolution

At **your** option, if **we** fail to agree with **you** as to the meaning or effect of any provision of this policy or as to the amount payable in accordance with the express terms of this policy, **you** may have both the amount of the loss and any coverage issues decided at the same time through a binding arbitration in lieu of an appraisal. If **you** elect to have **your** loss resolved through arbitration, **you** get the benefits of the Mandatory Arbitration provision as explained above, including possible reimbursement of **your** actually incurred expenses. All of the terms, conditions, and provisions of the Mandatory Arbitration provision apply to this Optional Claim Resolution provision.

Company's Option

We may at **our** option take all, or any part, of the property for which a claim is being made at the agreed or appraised value, or to repair or replace the property with other property of like kind and

SECTION I – BUSINESS PROPERTY AND RENTS

quality within a reasonable time, provided **we** give notice of **our** intention to do so within thirty (30) days after receipt of the required statement of loss.

Time Limitation for Action

No suit, demand for arbitration or other action on this policy for the recovery of any claim shall be sustainable in any court or other forum unless all the requirements of this policy have been complied with and unless commenced within twelve (12) months after the inception of the loss.

Property of Others

At **our** option **we** may adjust losses with the owner of the property. Any payment made by **us** will be limited to the owner's financial interest in the lost or damaged property and will satisfy **your** claim against **us**. If legal proceedings are taken to enforce a claim against **you** for any such loss or damage, **we** reserve the right to conduct and control the defense on **your** behalf. No action by **us** in such regard will increase **our** liability under this policy or increase the limits specified in this policy.

Examination of Your Books and Records

We may examine and audit **your** books and records as they relate to this policy at any time during the policy period and up to three (3) years after the cancellation or expiration of this policy whichever is first.

When Loss is Payable

The amount for which **we** are liable will be payable within thirty (30) days after the required statement of loss is received and agreed to in writing by **us** or an arbitration award is received by **us**.

Mortgagee Interest and Obligations

Loss will be payable to a mortgagee named on the Declarations Page subject to its mortgage interest in the covered property. As to that mortgage interest, this insurance will not be affected by any:

1. act or neglect of the mortgagor or owner of the covered property.
2. foreclosure or other proceeding or notice of sale relating to the covered property.
3. change in title or ownership of the covered property.

In case the mortgagor or owner neglects to pay any premium due under this policy, the mortgagee must, on demand, pay that premium in order to keep coverage in force.

If **you** fail to render a statement of loss, a named mortgagee, upon notice, may do so within sixty (60) days thereafter. In that event, the mortgagee must comply with all provisions of this policy.

SECTION I – BUSINESS PROPERTY AND RENTS

If **we** cancel this policy any named mortgagee will be notified in accordance with the cancellation provisions of this policy.

To the extent of any payment for loss under this policy which **we** make to any mortgagee and for which **we** claim **we** are not liable to the mortgagor or owner, **we** will be subrogated to all of the rights of the mortgagee under the mortgage. Or **we** may pay the whole mortgage debt including accrued interest in return for a full assignment and transfer of the mortgage and all other securities for that debt.

Time of Loss

This policy applies only to losses resulting from **accidents** which occur during the policy period shown on the Declarations Page.

Other Insurance

We will not pay a greater portion of any loss than the limit of insurance for the loss under this policy bears to the total of the limits of insurance for the loss under all policies which cover the loss or which would cover the loss but for the existence of this policy, except insurance written specifically to cover as excess over the limits of insurance that apply in this policy.

Recovery from Third Parties

1. **You** may waive **your** rights of recovery against any party in writing before an **accident**.
2. Within ninety (90) days after an **accident**, **you** may waive **your** rights of recovery against any party who at the time of the **accident** is:
 - A. shown on the Declarations Page.
 - B. **your** tenant.
 - C. owned or controlled by **you** because of **your** financial investment in that party.
 - D. owns or controls **you** because of financial investment in **you** by that party.

We may require an assignment of **your** rights of recovery against any other party for loss to the extent that payment for that loss is made by **us**.

Salvage and Recovery

You are entitled to complete reimbursement for covered loss before **we** are entitled to any proceeds from any recovery from third parties or salvage recovery. If a recovery is realized, **you** must share recovery expenses **we** incur to the extent of each party's proportionate interest.

SECTION I – BUSINESS PROPERTY AND RENTS

No Benefit to Bailee

This insurance may not directly or indirectly benefit any carrier or other bailee.

Additional Conditions

For additional conditions refer to COMMON POLICY CONDITIONS APPLYING TO SECTIONS I AND II.

SECTION II – BUSINESS LIABILITY

Premises Liability

1. Coverage

- A. **We** will pay all sums that the **insured** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this insurance applies.

This insurance applies only to **bodily injury** or **property damage**:

- 1) that occurs during the policy period; and
- 2) that is caused by an **occurrence** which takes place at or arises from the ownership, maintenance or use of an **insured premises** as a rental property or held as vacant land.

- B. **We** have the right and duty to defend any claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at **our** discretion but:

- 1) the amount **we** will pay for damages is limited as described in Limits Of Insurance of SECTION II - BUSINESS LIABILITY.
- 2) **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgements or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under Supplementary Payments of SECTION II - BUSINESS LIABILITY.

2. Exclusions

This insurance does not apply to:

- A. any amount payable by any **insured** to others as a result of a punitive or exemplary damages judgement against any **insured**.

- B. **bodily injury** or **property damage** expected or intended from the standpoint of any **insured**.

This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

- C. **bodily injury** or **property damage** arising out of any contract

This exclusion does not apply to an **insured contract**.

- D. **bodily injury** or **property damage** arising out of any premises, other than an **insured premises** owned, rented or controlled by any **insured**.

- E. any obligation of any **insured** under a workers compensation, disability benefits or unemployment compensation law or any similar law.

SECTION II – BUSINESS LIABILITY

F. **bodily injury** to:

- 1) an employee of any **insured** arising out of and in the course of employment by any **insured**.
- 2) the spouse, child, parent, brother or sister of an employee as a consequence of an injury to that employee.

This exclusion applies whether any **insured** may be liable as an employer or in any other capacity and applies to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by **you** under an **insured contract**.

G. **bodily injury** or **property damage** arising out of the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of **pollutants**.

This exclusion does not apply to :

- 1) **bodily injury** or **property damage** caused by heat, smoke or fumes from a hostile fire. A hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be; or
- 2) **bodily injury** that is sustained within a building at an **insured premises** and that is caused by smoke, fumes, vapors or soot from equipment used to heat such building.

H. any loss, cost or expense arising out of any governmental direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.

I. **bodily injury** or **property damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **auto** or watercraft owned or operated by or rented or loaned to any **insured**. Use includes loading or unloading.

This exclusion does not apply to watercraft while ashore at an **insured premises**.

J. **bodily injury** or **property damage** arising out of nuclear reaction, radiation, or radioactive contamination, however caused.

K. **bodily injury** or **property damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

L. **bodily injury** or **property damage** arising out of any business or professional activities conducted by any **insured**.

The ownership, maintenance or use of the **insured premises** as a rental property or as vacant land are not considered to be professional activities.

SECTION II – BUSINESS LIABILITY

M. **property damage** to:

- 1) property **you** own, rent or occupy.
- 2) premises **you** have sold, given away or abandoned if the **property damage** arises out of any part of those premises.
- 3) property loaned to **you**.
- 4) personal property in the care, custody or control of any **insured**.

N. **bodily injury** or **property damage** sustained by any **insured**.

O. **bodily injury** or **property damage** arising out of fraud committed by any **insured**.

P. **bodily injury** or **property damage** arising out of willful injury by any **insured** to the property or person of another.

Q. **bodily injury** or **property damage** arising out of willful violation of a penal statute or ordinance committed by or with the consent of any **insured**.

R. **bodily injury** arising out of communicable disease of any kind transmitted by any **insured** including sexually transmitted disease.

S. **bodily injury** arising out of sexual molestation, corporal punishment or abuse.

Personal Injury and Advertising Injury Liability

1. **Coverage**

A. **We** will pay all sums that the **insured** becomes legally obligated to pay as damages because of **personal injury** or **advertising injury** to which this insurance applies.

This insurance applies only to **personal injury** or **advertising injury** caused by an act which:

- 1) takes place in the **coverage territory**; and
- 2) takes place during the policy period; and
- 3) arises out of the ownership, maintenance or use of an **insured premises** as a rental property or as vacant land.

B. **We** have the right and duty to defend any claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at **our** discretion but:

- 1) the amount **we** will pay for damages is limited as described in **Limits Of Insurance** of SECTION II – BUSINESS LIABILITY.
- 2) **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgements or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under **Supplementary Payments** of SECTION II – BUSINESS LIABILITY.

SECTION II – BUSINESS LIABILITY

2. Exclusions

This insurance does not apply to any punitive or exemplary damages judgement against any **insured**, nor does it apply to **personal injury** or **advertising injury**:

- A. arising out of oral or written publication of material if done by or at the direction of any **insured** with knowledge of its falsity.
- B. arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- C. arising out of any business or professional activity conducted by **you**.
The ownership or management of the **insured premises** as a rental property or as vacant land are not considered to be professional activities.
- D. arising out of fraud committed by any **insured**.
- E. arising out of willful injury by any **insured** to the person or property of another.
- F. caused by the willful act of any **insured** but sums awarded as damages because of negligence are not excluded.
- G. arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the **insured**.
- H. for which the **insured** has assumed liability in a contract or agreement.
This exclusion does not apply to liability for damages that the **insured** would have in the absence of the contract or agreement.
- I. sustained by any **insured**.
- J. arising out of the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of **pollutants** at or from the **insured premises**.
- K. any loss, cost or expense arising out of any governmental direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**.
- L. any obligation of any **insured** under a workers compensation, disability benefits or unemployment compensation law or any similar law.

SECTION II – BUSINESS LIABILITY

- M. to an employee of any **insured** arising out of and in the course of employment by any **insured**, or the spouse, child, parent, brother or sister of an employee as a consequence of an injury to that employee.

This exclusion applies whether any **insured** may be liable as an employer or in any other capacity and applies to any obligation to share damages with or repay someone else who must pay damages because of the injury.

- N. arising out of nuclear reaction, radiation, or radioactive contamination, however caused.
- O. due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

Non-Owned Auto Liability

1. **Coverage**

This coverage is optional and applies only if so stated on the Declarations Page.

- A. **We** will pay all sums that the **insured** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this insurance applies.

This insurance applies only to **bodily injury** or **property damage** that:

- 1) occurs during the policy period; and
- 2) is caused by an **occurrence** which takes place at or arises from the ownership, maintenance or use of an **insured premises** as a rental property or as vacant land; and
- 3) arises out of the use of a **non-owned auto** by any person other than **you** in connection with the ownership, maintenance or use of an **insured premises** as a rental property or as vacant land.

- B. **We** have the right and duty to defend any claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at **our** discretion but:

- 1) the amount **we** will pay for damages is limited as described in **Limits Of Insurance** of SECTION II – BUSINESS LIABILITY.
- 2) **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgements or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under **Supplementary Payments** of SECTION II – BUSINESS LIABILITY.

SECTION II – BUSINESS LIABILITY

2. Exclusions

This insurance does not apply to:

- A. any amount payable by any **insured** to others as a result of a punitive or exemplary damages judgement against any **insured**.

- B. **bodily injury** or **property damage** arising out of the maintenance, operation, use, loading or unloading of any **non-owned auto** used in any business or professional activity other than the management of the **insured premises**.

- C. **property damage** to:
 - 1) property owned or being transported by, or rented or loaned to any **insured**.
 - 2) property in the care, custody or control of any **insured**.

- D. any obligation of any **insured** under a workers compensation, disability benefits or unemployment compensation law or any similar law.

- E. **bodily injury** to:
 - 1) an employee of any **insured** arising out of and in the course of employment by and **insured**.
 - 2) the spouse, child, parent, brother or sister of an employee as a consequence of any injury to that employee.

This exclusion applies whether any **insured** may be liable as an employer or in any other capacity and applies to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by **you** under an **insured contract**.

- F. **bodily injury** or **property damage** sustained by any **insured**.

- G. **bodily injury** or **property damage** arising out of fraud committed by any **insured**.

- H. **bodily injury** or **property damage** arising out of willful injury by any **insured** to the property or person of another.

- I. **bodily injury** or **property damage** arising out of willful violation of a penal statute or ordinance committed by or with the consent of any **insured**.

SECTION II – BUSINESS LIABILITY

Hired Auto Liability

1. Coverage

This coverage is optional and applies only if so stated on the Declarations Page.

- A. **We** will pay all sums that the **insured** becomes legally obligated to pay as damages because of **bodily injury** or **property damage** to which this insurance applies.

This insurance applies only to **bodily injury** or **property damage** that:

- 1) occurs during the policy period; and
- 2) is caused by an **occurrence** which takes place at or arises from the ownership, maintenance or use of an **insured premises** as a rental property or as vacant land; and
- 3) arises out of the use of a **hired auto** by **you** or **your** employees in connection with the ownership, maintenance or use of an **insured premises** as a rental property or as vacant land.

- B. **We** have the right and duty to defend any claim or suit seeking covered damages. **We** may investigate and settle any claim or suit at **our** discretion but:

- 1) the amount **we** will pay for damages is limited as described in **Limits Of Insurance** of SECTION II – BUSINESS LIABILITY.
- 2) **our** right and duty to defend ends when **we** have used up the applicable limit of insurance in the payment of judgements or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under **Supplementary Payments** of SECTION II – BUSINESS LIABILITY.

2. Exclusions

This insurance does not apply to:

- A. any amount payable by any **insured** to others as a result of a punitive or exemplary damages judgement against any **insured**.
- B. **bodily injury** or **property damage** arising out of the maintenance, operation, use, loading or unloading of any **non-owned auto** used in any business or professional activity other than the management of the **insured premises**.
- C. **property damage** to:
- 1) property owned or being transported by, or rented or loaned to any **insured**.
 - 2) property in the care, custody or control of any **insured**.
- D. any obligation of any **insured** under a workers compensation, disability benefits or unemployment compensation law or any similar law.

SECTION II – BUSINESS LIABILITY

E. **bodily injury** to:

- 1) an employee of any **insured** arising out of and in the course of employment by and **insured**.
- 2) the spouse, child, parent, brother or sister of an employee as a consequence of any injury to that employee.

This exclusion applies whether any **insured** may be liable as an employer or in any other capacity and applies to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by **you** under an **insured contract**.

F. **bodily injury** or **property damage** sustained by any **insured**.

G. **bodily injury** or **property damage** arising out of fraud committed by any **insured**.

H. **bodily injury** or **property damage** arising out of willful injury by any **insured** to the property or person of another.

I. **bodily injury** or **property damage** arising out of willful violation of a penal statute or ordinance committed by or with the consent of any **insured**.

Premises Medical Payments

1. **Coverage**

We will pay medical and funeral expenses which result from **bodily injury** sustained at the **insured premises** and caused by an **accident** provided that:

- A. the **accident** takes place during the policy period; and
- B. the **accident** takes place at an **insured premises**; and
- C. the expenses are incurred and reported to **us** within one (1) year of the date of the **accident**; and
- D. the injured person submits to examination, at **our** expense, by physicians of **our** choice as often as **we** require.

2. **Exclusions**

This insurance does not apply to **bodily injury** to any person:

- A. who is an **insured**.

SECTION II – BUSINESS LIABILITY

- B. hired to do work for or on behalf of any **insured**.
- C. who is a tenant or an employee of a tenant of any **insured**.
- D. who is an employee of any **insured**, if benefits for the **bodily injury** are payable or must be provided under a workers compensation or disability benefits law or a similar law.
- E. who is injured while taking part in athletics.
- F. who is injured due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.
- G. to whom the **insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to an **insured contract**.

- H. whose injuries arise out of the ownership, maintenance, use or entrustment to others of any aircraft, **auto** or watercraft owned or operated by or rented or loaned to any **insured**. Use includes loading or unloading.
- I. whose injuries arise out of any business or professional activities, other than the management of the **insured premises**, conducted by any **insured**.
- J. whose injuries arise from the presence of or the actual, alleged or threatened release, discharge, escape, dispersal, seepage or migration of **pollutants** at or from the **insured premises**.
- K. who suffers **bodily injury** arising out of nuclear reaction, radiation or radioactive contamination, however caused.

Supplementary Payments

With respect to any claim or suit **we** defend under Section II of this policy, **we** will pay in addition to the Business Liability limit of insurance shown on the Declarations Page:

1. all expenses **we** incur.
2. up to \$1,000 for the cost of bail bonds required because of **accidents** or traffic law violations arising out of the use of any vehicle to which **bodily injury** liability coverage applies. **We** do not have to furnish or obtain these bonds.

SECTION II – BUSINESS LIABILITY

3. the premium for bonds to release attachments but only for bond amounts within the Business Liability limit of insurance shown on the Declarations Page. **We** do not have to furnish or obtain these bonds.
4. all reasonable expenses incurred by the **insured** at **our** request to assist **us** in the investigation or defense of the claim or suit including actual loss of earnings of up to \$250 a day because of time off from work.
5. all costs taxed against the **insured** in the suit.
6. pre-judgement interest awarded against the **insured** on that part of the judgement **we** pay. If **we** make an offer to pay the applicable limit of insurance, **we** will not pay any pre-judgement interest based on that period of time after the offer.
7. all interest on the full amount of any judgement that accrues after entry of the judgement and before **we** have paid, offered to pay, or deposited in court the part of the judgement that is within the applicable limit of insurance.

Limits of Insurance

1. Each **Occurrence** or Act

The most **we** will pay for the sum of all damages to which this policy applies as a result of any one **occurrence** or any one act is the Business Liability limit of insurance shown on the Declarations Page regardless of the number of:

- A. **insureds**.
- B. claims made or suits brought.
- C. persons or organizations making claims or bringing suits.
- D. policies issued by **us** to any **insured**. If such other policies exist, the maximum limit of this Company's liability shall not exceed the highest limit set forth in any one such policy.
- E. coverages applicable to any **occurrence** or act.

2. All **Occurrences** or Acts

The most **we** will pay for all damages to which this policy applies, regardless of the number of **occurrences** or acts that take place during any consecutive policy period of twelve (12) months or less, is the aggregate limit for Business Liability shown on the Declarations Page. With respect to **Premises Liability** coverage only, this annual aggregate limit of insurance applies separately to each location described on the Declarations Page.

With respect to items 1. and 2. above, all **bodily injury** or **property damage** resulting from any one **accident** including continuous or repeated exposure to the same harmful conditions shall be considered to be the result of one **occurrence**.

SECTION II – BUSINESS LIABILITY

3. The most **we** will pay for medical and funeral expenses as provided under **Premises Medical Payments** coverage for any one **accident** is the Premises Medical Payments limit shown on the Declarations Page.

Your Duties in the Event of an Occurrence, Act, Claim or Suit

1. **You** must promptly notify **us** of an incident or event that may result in a claim. Notice should include:
 - A. how, when and where the incident or event took place.
 - B. the names and addresses of any injured person and witness.
2. If a claim is made or suit is brought against any **insured**, **we** must be notified promptly in writing and **you** and any other involved **insured** must:
 - A. immediately send **us** copies of any demands, notices, summonses or other legal papers received in connection with the claim or suit.
 - B. authorize **us** to obtain records and other information.
 - C. cooperate with **us** in the investigation, settlement or defense of the claim or suit.
 - D. assist **us**, upon **our** request, in the enforcement of any right against any person or organization that may be liable to any **insured** because of injury or damage to which this insurance may also apply.
3. No **insured** shall, except at the **insured's** own cost, make a payment, assume any obligation or incur any expense, other than for first aid, without **our** consent.

Other Insurance

The insurance provided by this policy is excess over any other insurance except insurance specifically written to cover as excess over the limits of this policy. **We** have no duty to defend any claim or suit that any other insurer has a duty to defend. If no other insurer defends, **we** will undertake to do so but **we** will be entitled to the **insured's** rights against any such other insurers.

Transfer Of Rights Of Recovery Against Others To Us

If the **insured** has rights to recover all or part of any payment **we** have made under this policy, those rights shall be transferred to **us**. The **insured** shall do nothing to impair said rights. At **our** request, the **insured** shall help **us** to enforce them.

This condition does not apply to **Premises Medical Payments** coverage.

SECTION II – BUSINESS LIABILITY

Transfer Of Your Rights And Duties

Your rights and duties under this policy may not be transferred without **our** written consent, except in the case of death of an individual named **insured**.

If **you** die, **your** rights and duties will be transferred to **your** legal representative but only while acting within the scope of duties as **your** legal representative. Until **your** legal representative is appointed, anyone having proper, temporary custody of **your** property will have **your** rights and duties but only with respect to that property.

Bankruptcy

Bankruptcy or insolvency of any **insured** or any **insured's** estate will not relieve **us** of **our** obligations.

Legal Action Against Us

1. No person or organization has a right under this policy:
 - A. to join **us** as a party or otherwise bring **us** into a suit asking for damages from any **insured**.
 - B. to sue **us** on this policy unless all of its terms have been fully complied with.

2. A person or organization may sue **us** to recover on an agreed settlement or on a final judgement against any **insured** obtained after an actual trial but **we** will not be liable for damages that are not payable under the terms of this policy. An agreed settlement means a settlement and release of liability signed by **us**, the **insured** and the claimant or the claimant's legal representative.

Separation Of Insureds

Except with respect to the Limits of Insurance, this insurance applies separately to each **insured** against whom claim is made or suit is brought.

COMMON POLICY CONDITIONS APPLYING TO SECTIONS I AND II

Cancellation And Non-Renewal

1. **You** may cancel this policy at any time by returning it to **us** or by notifying **us** in writing of the date cancellation is to take effect.

Any pro-rata premium due **you** will be refunded within a reasonable time after the cancellation takes effect.

2. **We** may:

- A. cancel this policy for non-payment of premium by giving **you** fifteen (15) days written notice; or
- B. non-renew this policy for any reason by giving **you** at least sixty (60) days, but not more than one hundred twenty (120) days, written notice to be effective at the next anniversary or expiration date of the policy, whichever is first.

We will also mail such notice of cancellation or non-renewal to each mortgagee or other person or entity shown on this policy to have an insurable interest in the covered property.

We will state the reason for cancellation or non-renewal on the written notice.

Waiver Or Change Of Policy Conditions

This policy contains all the agreements between **you** and **us** concerning this insurance. A waiver or change of any provision of this policy must be in writing by **us** to be valid.

DEFINITIONS APPLYING TO SECTIONS I AND II

Words which appear in bold print, other than titles and headings, have the meaning given them in this section.

1. **Accident** means an undesigned, unexpected and rapidly occurring event.
2. **Accidental** means undesigned, unexpected and rapidly occurring.
3. **Advertising Injury** means injury resulting from an oral or written publication of material that disparages a person's or organization's goods, products or services.
4. **Auto** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment.
5. **Bodily Injury** means bodily injury and sickness or disease sustained by a person, including death resulting from any of these at any time.
6. **Coverage Territory** means:
 - A. the United States of America, its territories and possessions, Puerto Rico and Canada.
 - B. international waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in A. above.
 - C. all parts of the world if:
 - 1) the injury or damage arises out of the activities of a person whose home is in the territory described in A. above but is away for a short time on **your** business; and
 - 2) the **insured's** responsibility to pay damages is determined in a suit on the merits in the territory described in A. above or in a settlement to which **we** agree.
7. **Covered equipment** means **your** property and property of others which is in **your** care, custody or control for which **you** are legally liable and which is operated under **your** control; and
 - A. that is built to operate under vacuum or pressure, other than weight of contents; or
 - B. that is used for the generation, transmission or utilization of energy. This includes but is not limited to heating, air conditioning and refrigeration systems, elevators, motors, generators, compressors, telephone systems, or electronic premises security systems, including computer chips embedded in any of these or computer hardware used to operate or monitor any of these. If any **covered equipment** requires inspection to comply with state or municipal boiler and pressure vessel regulations, **you** agree to comply with that requirement at **your** cost.
8. **Equipment breakdown** means **accidental** breakdown of **covered equipment** that manifests itself by direct physical damage to the **covered equipment** that necessitates repair or replacement. However, none of the following is **equipment breakdown**:
 - A. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - B. the functioning of any safety or protective device.

DEFINITIONS APPLYING TO SECTIONS I AND II

9. **Hazardous substance** means any substance that has been declared to be hazardous to health by a governmental agency.

10. **Hired auto** means any **auto you** lease, hire or borrow for a period of less than thirty (30) days.

This does not include any **auto you** lease, hire or borrow from any of **your** employees, partners, executive officers, trustees, trustors, beneficiaries, stockholders, managers or members of **your** limited liability company, or members of any of their households.

11. **Insured** means:

A. as to Premises Liability, **Personal Injury** and **Advertising Injury** Liability Coverages

- 1) an individual shown on the Declarations Page and his or her spouse but only with respect to the ownership, maintenance or use of the **insured premises** as a rental property or as vacant land.
- 2) a partnership or joint venture shown on the Declarations Page, its partners, members and their spouses but only with respect to the ownership, maintenance or use of the **insured premises** as a rental property or as vacant land.
- 3) a trust shown on the Declarations Page, its trustees, trustors and beneficiaries but only with respect to the ownership, maintenance or use of the **insured premises** as a rental property or as vacant land.
- 4) any organization, other than a partnership, joint venture or trust, shown on the Declarations Page, its executive officers, stockholders and members and managers of a limited liability company but only with respect to the ownership, maintenance or use of the **insured premises** as a rental property or as vacant land.
- 5) **your** employees, but only for acts within the scope of their employment by **you** in connection with the ownership, maintenance or use of the **insured premises** as a rental property or as vacant land.
- 6) any person or organization while acting as **your** real estate manager for an **insured premises**.
- 7) any person or organization having lawful, temporary custody of **your** property if **you** die.
- 8) **your** legal representative if **you** die but only with respect to duties as such. That representative will have all **your** rights and duties under this policy.

B. as to **Non-Owned Auto** Liability Coverage

- 1) **you**.
- 2) **your** partner(s) or executive officer(s) while using a **non-owned auto** in connection with the ownership, maintenance or use of the **insured premises** as a rental property or held as vacant land.
- 3) trustees, trustors, and beneficiaries of a trust shown on the Declarations Page while using a **non-owned auto** in connection with the ownership, maintenance or use of the **insured premises** as a rental property or as vacant land.

DEFINITIONS APPLYING TO SECTIONS I AND II

- 4) members and managers of a limited liability company shown on the Declarations Page while using a **non-owned auto** in connection with the ownership, maintenance or use of the **insured premises** as a rental property or as vacant land.
- 5) None of the following is an **insured**:
 - a) any person engaged in the business of his or her employer for **bodily injury** to any co-employee of such person injured in the course of employment.
 - b) any partner or executive officer for any **auto** owned by such partner or officer or a member of his or her household.
 - c) any trustee, trustor, or beneficiary of a trust shown on the Declarations Page for any **auto** owned by such trustee, trustor, or beneficiary or a member of his or her household.
 - d) **your** stockholders for any **auto** owned by such stockholders or members of their households.
 - e) any member or manager of a limited liability company shown on the Declarations Page for any **auto** owned by such member or manager or a member of his or her household.
 - f) the owner of a **non-owned auto** or any agent or employee of any such owner.
 - g) any person or organization for the conduct of any current or past partnership or joint venture not shown on the Declarations Page.

C. as to **Hired Auto** Liability Coverage

- 1) **you**.
- 2) any person using a **hired auto** with **your** permission.
- 3) None of the following is an **insured**:
 - a) any person engaged in the business of his or her employer for **bodily injury** to any co-employee of such person injured in the course of employment.
 - b) any partner or executive officer for any **auto** owned by such partner or officer or a member of his or her household.
 - c) any trustee, trustor, or beneficiary of a trust shown on the Declarations Page for any **auto** owned by such trustee, trustor, or beneficiary or a member of his or her household.
 - d) **your** stockholders for any **auto** owned by such stockholders or members of their households.
 - e) any member or manager of a limited liability company shown on the Declarations Page for any **auto** owned by such member or manager or a member of his or her household.
 - f) the owner or lessee (of whom **you** are a sub-lessee) of a **hired auto** or any agent or employee of any such owner or lessee.
 - g) any person or organization for the conduct of any current or past partnership or joint venture not shown on the Declarations Page.

DEFINITIONS APPLYING TO SECTIONS I AND II

12. **Insured Contract** means that part of any contract pertaining to the ownership, maintenance or use of an **insured premises** as a rental property under which **you** assume the tort liability of another to pay damages because of **bodily injury** or **property damage** to a third person or organization if the contract is made prior to the **bodily injury** or **property damage**.

An **insured contract** does not include:

- A. a contract or agreement that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - 1) preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications.
 - 2) giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- B. a contract or agreement that pertains to the loan, lease or rental of an **auto** to **you**.
- C. a contract with any other **insured**.

13. **Insured Premises** means:

- A. the premises described on the Declarations Page.
- B. premises sold, given away or abandoned if possession has been relinquished to others.
- C. any premises which **you** acquire during the policy period provided that no other insurance applies. This insurance ceases ninety (90) days after the date **you** acquire the premises. An additional premium, computed by using the rates and rules in effect at the date of acquisition, will be charged for the period of time **we** provide insurance.

14. **Non-Owned Auto** means any **auto you** do not own, lease, hire or borrow which is used in connection with **your** business.

If **you** are a partnership, a **non-owned auto** does not include any **auto** owned by any partner of the partnership.

15. **Occurrence** means an **accident**. With respect to SECTION II – BUSINESS LIABILITY only, an **accident** includes continuous or repeated exposure to the same harmful conditions.

16. **Organic Pathogens** means any bacteria, virus, fungus, mold, mushroom, yeast, mildew or mycotoxin or other metabolic products or their spores, scent, vapor or gas or byproducts, or any reproductive body they produce.

17. **Our** refers to the Company providing this insurance.

18. **Personal Injury** means injury, other than **bodily injury**, arising out of one or more of the following acts:

- A. false arrest, detention or imprisonment.
- B. malicious prosecution.
- C. wrongful entry into premises that a person or organization occupies or wrongful eviction of a person or organization from premises that the person or organization occupies.

DEFINITIONS APPLYING TO SECTIONS I AND II

- D. oral or written publication of material that slanders or libels a person or organization.
 - E. oral or written publication of material that violates a person's right of privacy.
19. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
20. **Property damage** means:
- A. physical injury to tangible property including resulting loss of use of that property.
 - B. loss of use of tangible property that is not physically injured.
21. **Sinkhole collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. It does not include sinking or collapse of land into manmade underground cavities nor the cost of filling sinkholes.
22. **Us** refers to the Company providing this insurance.
23. **Volcanic action** means lava flow, airborne shock waves, ash, dust or other particulate matter caused by or resulting from volcanic eruption.
24. **We** refers to the Company providing this insurance.
25. **You** and **your** refer to the person or entity shown on the Declarations Page as an insured.